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UNCLAS SECTION 01 OF 03 QUITO 002771

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SENSITIVE

E.O. 12958: N/A

TAGS: PGOV KDEM KCOR PREL EC

SUBJECT: PRELIMINARY ECUADORIAN ELECTION RESULTS,

IMPLICATIONS

This cable was cleared by CG Guayaquil.

11. (SBU) Summary: Ecuadorian voters went to the polls to elect provincial and municipal officials on October 17 in elections the OAS characterized publicly as "free and transparent." Some irregularities were reported but in most polling places voting proceeded relatively smoothly. Preliminary results confirm that incumbents from the larger parties consolidated and strengthened their representation, at the expense of smaller party candidates. Press immediately christened the re-elected mayors of Quito and Guayaquil as favorites for the 2006 presidential race. It also appears that President Gutierrez' Patriotic Society Party surpassed the 5% hurdle to stave off extinction. Gutierrez continued to stir controversy on election day by threatening to overturn through regulation the method selected by the Supreme Electoral Tribunal (TSE) to allocate council seats to permit some degree of proportional representation. Post-electoral controversy will now move to the courts and Congress. End Summary.

Process Smooth Overall, Rough in Places

- 12. (U) Ecuadorian voters elected 219 mayors, 22 provincial prefects, 91 provincial councilors, 893 municipal councilors, and 3,970 rural council representatives. OAS Election Observation Chief of Mission Edgardo Reis issued a press statement on October 18 thanking the GoE for its collaboration with the OAS mission and stating that "the electoral process proceeded in a generally calm and ordered manner, with the exception of some incidents reported in the provinces of Guayas, Bolivar, and Los Rios." Ninety percent of voters interviewed by OAS observers expressed satisfaction with the decision of the TSE to separate voting lines by gender. Eighty-five percent of the sample of voters who used special electronic voting machines rated their use as easy, and 82% supported use of the machines more widely. The results of the OAS quick count in the race for mayor of Quito coincided with official results. The OAS statement also praised the work of electoral watchdog NGO Citizen Participation and the unprecedented indigenous observation effort mounted by the Q'ellkaj Foundation (both with USAID support). It also expressed concern about gaps in the election law about campaign financing and allocation of council seats.
- 13. (U) Although actual voting proceeded without incidents of violence, media reported and police sources have confirmed the shooting death of Pasquale Bustamante, a PSP candidate for town councilor in Los Rios province, in the evening after the polls closed. In addition, the elections were suspended and will be re-run in two small municipalities (El Empalme in Guayas province and Pajan in Manabi province), and incidents were reported in the Tarqui area in Guayaquil municipality, in the municipality of Simon Bolivar in Guayas, and in Bolivar province. Citizen Participation reported a variety of problems noted by its 3,100 young volunteer observers stationed in 42% of the voting stations nationwide, including campaign activities within voting areas (28%), and police impeding access by political party or observers to voting stations (17%). Citizen Participation director Cesar Montufar urged Congress to address gaps in the electoral laws to better regulate campaign spending and the allocation of council seats.

Embassy Volunteers Support OAS

14. (U) Thirty-eight U.S. mission volunteers participated as election observers under the OAS Election Observation Mission. In addition to Quito and Guayaquil, Embassy and CG Guayaquil volunteers traveled to Babahoyo, Los Rios province; Manta, Manabi province; Esmeraldas; Cuenca, Azuay province; Ibarra, Imbabura province; and Tena, Napo province. Embassy participation contributed to a successful OAS quick count in Quito, and provided over half of the OAS' qualitative observation.

Large Parties Advance, PSP Fate Uncertain

- 15. (U) As expected, Paco Moncayo, the incumbent mayor of Quito (ID), was re-elected, as was Jaime Nebot (PSC) as mayor of Guayaquil. Both were gracious and conciliatory in their victory speeches. In Cuenca, the ID defeated the incumbent Pachakutik-endorsed mayor and won the Azuay prefect race as well. In Machala, Los Rios, the PSC candidate defeated the PRE incumbent, although the PRE retained the prefecture. In Manabi, the PSC mayor of Manta was re-elected and the PSC won the prefect race, also at the expense of the PRE. The indigenous party, Pachakutik, appears to have preserved its strength in its Sierra heartland, but lost the prefecture of Bolivar.
- 16. (U) Overall, the ID won six prefectures, followed by the PSC and Pachakutik with five each. The PRE won in three prefectures, as did the Popular Democracy Party (DP), some in coalitions. The Coalition of Popular Forces (CFP) and Popular Democratic Movement (MPD) both won in two. The National Action Institutional Renewal Party (PRIAN) won just one prefecture (Imbabura) and the PSP was part of a coalition which won in the Galapagos. (These numbers total more than Ecuador's 22 provinces because of alliances made in several races.)
- 17. (U) It appears that President Gutierrez' PSP cleared the 5% hurdle required to retain its party registry. The PSP won the mayorships of Tena, in Gutierrez' home province of Napo; and of Pastaza, Morona Santiago province; in addition to the Galapagos prefecture. (The 5% rule applies only to provincial, municipal, and rural council seats, however, and results in these races is still limited.) Despite these advances by the PSP, opposition opinion makers are claiming the PSP's relatively poor showing constitutes popular rejection of the Gutierrez government's performance and program.

Gutierrez: Snatching Defeat from Jaws of Victory

18. (U) President Gutierrez marked the opening of polls in a brief address at the Supreme Electoral Tribunal (TSE) in which he called on winners and losers to come together in support of unity and national interests. Later, in an impromptu press conference at his polling station and in post-election interviews, Gutierrez was less statemanlike There he continued his criticism of the method adopted by the TSE to allocate council seats (which likely cost his small

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party by reducing proportional representation), and criticized Congress for abdicating its responsibility to legislate a better method. Gutierrez said he was holding off issuing his own regulations replacing the TSE's method until greater consensus emerged on the subject in Congress.

19. (U) Gutierrez also used the opportunity to take a swipe at "a certain desperate ex-President" for attacking Gutierrez' criticism of the judiciary (for supposed politicization in favor of the PSC) and his meeting with disgraced ex-president Abdala Bucaram in Panama. PSC leader and ex-president Leon Febres-Cordero responded in kind, calling Gutierrez "corrupt, incapable, and an ignoramus." Guayaquil mayor Nebot, goaded by press to react to Gutierrez threat to issue new post-electoral regulations, warned the President against any such move, saying the PSC and possibly other parties would "take to the streets" to defend what it won in the ballot box.

Implications

- 110. (SBU) It appears that President Gutierrez' efforts on behalf of PSP candidates staved off de-certification of his party. Regardless, it is clear today that the PSP's gains were modest, at best. Opposition press are claiming the election results constituted a referendum on Gutierrez' performance as President. We find that claim overdrawn, but will monitor closely the effects of the ensuing spin battle.
- 111. (SBU) The big ID and PSC wins in their respective heartlands immediately fueled speculation that Paco Moncayo and Jaime Nebot will likely be competitors in the 2006 presidential election (in response, both claimed only to be interested in serving their new four-year terms as mayor). Pachakutik's political stasis in its indigenous heartland might make it less anxious to challenge democratic stability than had it suffered a major reverse. Alvaro Noboa, the PRIAN presidential runner-up in 2002 and presumptive presidential candidate in 2006, did his best to paint the PRIAN's middling results (many second and third places, few winners) as a victory placing the PRIAN among the four largest parties after only two years in existence. He contrasted his party's national results with the strong regional identification of the PSC and ID.
- 112. (SBU) We believe the President's election-day threat to regulate the allocation of council seats might well have been

election-day posturing. The controversy over the allocation of seats will continue regardless, since small party losers are expected to mount legal challenges to rules adopted by the TSE which cut down on proportional representation. Those challenges are unlikely to convince the courts, which are considered more receptive to the views of the large parties. Post-electoral controversy will also play out in the Congress, which could distract it from returning to its stalled legislative agenda. KENNEY